GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4452
ANSWERED ON:08.08.2014
EXPENDITURE ON PUBLICITY CAMPAIGNS
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Will the Minister of FINANCE be pleased to state:

(a) whether the insurance companies are spending huge amounts on advertisements;

(b) if so, the details of total amount spent for the purpose by the insurance companies during each of the last three years and the current year, company-wise;

(c) whether the Government/Insurance Regulatory and Development Authority (IRDA) has directed the insurance companies to curtail their expenditure on publicity campaigns; and

(d) if so, the details thereof and is likely impact on services being provided by the insurance companies?

Answer

Minister of State (Finance) (Shrimati Nirmala Sitharaman)

(a) and (b): The Insurance Regulatory and Development Authority (IRDA) has informed that Insurance companies incur expenses for the publicity and awareness about their products and services as part of insurance business. Such expenses are part of expenses of management, which is subject to overall limits laid down in the Insurance Act and rules/regulations framed there under.

The total amount incurred on account of advertisement and publicity by life and general insurers for the last three years up to 2013-14 are as per Annexure I and Annexure II respectively.

(c) and (d): Government/ IRDA have not issued any directions in this regard. In view of the same, the question of likely impact on services provided by the insurance companies does not arise.